

Chapter 1

Budget Estimates 2014–15

1.1 On 13 May 2014 the Senate referred the following to the Senate Finance and Public Administration Legislation Committee (the committee) for examination and report:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2015;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2015;
- Particulars of certain proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2015;
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2014; and
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2014.

Portfolio coverage

1.2 The committee has responsibility for examining the expenditure and outcomes of the following:

- Parliament;¹
- Prime Minister and Cabinet Portfolio;
- Finance Portfolio; and
- Cross Portfolio Indigenous Matters.

Portfolio Budget Statements 2014-15 and Portfolio Supplementary Additional Estimates Statements 2013-14

1.3 The Portfolio Budget Statements 2014-15 for the parliamentary departments, the Prime Minister and Cabinet Portfolio, and the Finance Portfolio were tabled in the Senate on 13 May 2014.

1.4 The Portfolio Supplementary Additional Estimates Statements 2013-14 for the Prime Minister and Cabinet Portfolio was also tabled on 13 May 2014. This document provided details of the proposed additional resources of \$198.4 million through Appropriation Bills (No. 5 and No. 6) 2013-14 for the Department of the Prime Minister and Cabinet due to:

1 As a matter of comity between the Houses neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

...the transfer of funds from other agencies as a result of Machinery of Government changes that were reflected in the Administrative Arrangements Order of 18 September 2013, and then 12 December 2013.²

Hearings

1.5 The committee held public hearings on 26 to 30 May 2014. The parliamentary departments and the Prime Minister and Cabinet Portfolio (excluding Indigenous matters) were examined on 26 and 27 May, the Finance Portfolio was examined on 28 and 29 May, and the Cross Portfolio Indigenous Matters hearing was held on 30 May 2014.

1.6 The committee took evidence from the President of the Senate, Senator the Hon John Hogg, and the following Ministers accompanied by officers of relevant departments and agencies:

- Senator the Hon Eric Abetz, the Minister for Employment and Minister Assisting the Prime Minister for the Public Service, representing the Prime Minister;
- Senator the Hon Michaelia Cash, Assistant Minister for Immigration and Border Protection, and Minister Assisting the Prime Minister for Women;
- Senator the Hon Mathias Cormann, Minister for Finance;
- Senator the Hon Michael Ronaldson, Minister for Veterans' Affairs and Special Minister of State; and
- Senator the Hon Nigel Scullion, Minister for Indigenous Affairs.

1.7 The committee expresses its appreciation for the assistance of the President, Ministers and the officers who appeared.

1.8 Over the course of the hearings, the committee took evidence from the following departments and agencies:

Parliamentary departments

- Department of the Senate
- Parliamentary Budget Office
- Department of Parliamentary Services

Prime Minister and Cabinet Portfolio

- COAG Reform Council Secretariat
- Office of the Official Secretary to the Governor-General
- National Australia Day Council Limited
- Australian National Audit Office

2 *Portfolio Supplementary Additional Estimates Statements 2013-14* – Prime Minister and Cabinet Portfolio, p. 1.

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- Australian Public Service Commission
 - Independent National Security Legislation Monitor³
 - Office of the Commonwealth Ombudsman
 - Office of National Assessments
 - Office of the Inspector-General of Intelligence and Security
 - Department of the Prime Minister and Cabinet (including the Office for Women and excluding Outcome 2 – Indigenous)

Finance Portfolio

- ASC Pty Ltd
- Future Fund Management Agency
- ComSuper
- Commonwealth Superannuation Corporation
- Department of Finance
- Medibank Private Limited
- Australian Electoral Commission

Cross Portfolio Indigenous Matters

- Torres Strait Regional Authority
- Office of Township Leasing
- Office of the Registrar of Indigenous Corporations
- Department of the Prime Minister and Cabinet (Outcome 2 – Indigenous)
- Department of Health (in relation to Indigenous Health issues)

Parliamentary privilege

1.9 A potential issue of parliamentary privilege arose during examination of the Department of Parliamentary Services (DPS) in relation to the use of CCTV footage as evidence in staff disciplinary proceedings. It was revealed to the committee that DPS had used CCTV footage to monitor a staff member as part of a code of conduct investigation. The footage apparently shows the staff member providing information to Senator the Hon John Faulkner's office.⁴ In response to questions on whether the use of the footage was in breach of the CCTV Code of Practice, the Secretary of DPS, Ms Carol Mills advised:

3 As the former Independent National Security Legislation Monitor's term of appointment expired on 20 April 2014 and a new monitor has not been appointed, Dr Margo McCarthy, Associate Secretary National Security and International Policy, Department of the Prime Minister and Cabinet, attended the hearing to answer questions in the absence of a monitor.

4 *Proof Committee Hansard*, 26 May 2014, pp 22-29 and 51-54.

...I feel there may have been an inadvertent and ancillary breach of the statement of purpose in undertaking what was an appropriately constituted approval to look at a code of conduct issue under category (e) of the policy.⁵

1.10 Senator Faulkner subsequently tabled advice from the Clerk of the Senate discussing the parliamentary privilege issues arising from this incident, including the possible impact on the rights and freedoms of senators working in Parliament House. The Clerk advised:

In my view, the circumstances do give rise to concerns that a contempt of interference, or attempted interference, with the free performance by a senator of the senator's duties as a senator may have been committed. Disciplinary action against a person that has the tendency or effect of hampering the provision of information to senators could readily constitute an improper interference with the free performance of a senator's duties as a senator and, therefore, a contempt. The use of electronic surveillance of a senator's office for unauthorised purposes to intimidate persons who provide information to senators is also capable of being found to be a contempt.⁶

1.11 The committee wrote to the President of the Senate on 27 May 2014 to raise this matter of privilege under standing order 81, seeking the referral of the matter to the Committee of Privileges. On 18 June 2014, the Senate agreed to refer the matter to the Committee of Privileges for inquiry and report.⁷

Questions on notice and Hansard transcripts

1.12 Some Senators sought an explanation for the late provision of answers to questions on notice from the Additional Estimates 2013-14 round for the Department of the Prime Minister and Cabinet. The committee had set 11 April 2014 as the due date for answers and the department subsequently provided them on the evening of 14 May 2014. The committee was advised by Ms Elizabeth Kelly, Deputy Secretary, Governance that resourcing was an issue:

We take all of those accountability obligations very seriously, but we only have the resources that we have. When the volume increases, we work through it as quickly as we possibly can, but sometimes that means that we are not always able to make the timeframes. We apologise for that, but I can assure you that we are working through them as quickly as we possibly can.⁸

5 *Proof Committee Hansard*, 26 May 2014, p. 28. Item (e) of the CCTV Code of Practice Statement of Purpose specifies that the CCTV system may be used to 'Provide evidence upon which to take criminal and civil proceedings'.

6 Tabled document, Correspondence from the Clerk of the Senate to Senator the Hon John Faulkner, dated 26 May 2014.

7 *Journals of the Senate*, No. 32, 18 June 2014, pp 903-904.

8 *Proof Committee Hansard*, 27 May 2014, p. 4.

1.13 When advised that it has been the department's practice to provide all answers to the committee in one lot, it was suggested by the committee that adopting a staged approach and providing batches of answers when available, may assist in a more timely provision of answers in future rounds of estimates. The department undertook to consider this option.⁹

1.14 The committee has set 11 July 2014 as the date for the return of answers to questions on notice arising from the Budget Estimates 2014–15 hearings. This information, together with the Hansard transcripts of proceedings of hearings, are published on the committee's website at:

http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/fapactte/estimates/bud1415/index

Note on references

1.15 References to the estimates Hansard are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcript.

9 *Proof Committee Hansard*, 27 May 2014, p. 4.

